

December 4, 2009

ASARCO Plan Administrator
c/o Joel Rogers, Director
Alvarez & Marsal North America, LLC
3399 Peachtree Rd., NE, Suite 1900
Atlanta, GA 30326

Re: Capital Expenditure Response Costs for East Helena, MT and Black Pine, MT

Dear ASARCO Plan Administrator:

This letter is to confirm the undersigned parties' agreement related to the Consent Decree and Settlement Agreement Regarding the Montana Sites ("Settlement Agreement") entered into in ASARCO's Chapter 11 Bankruptcy, Case No. 05-21207.

In Paragraph 6.b.(ii) and 6.b.(vii) of the Settlement Agreement, ASARCO agreed to pay \$17.439 million and \$99.294 million into an environmental custodial trust account for the Black Pine Designated Property ("Black Pine") and the East Helena Designated Property ("East Helena"), respectively, to fund future Environmental Actions and certain future oversight costs at these properties. Pursuant to Paragraph 6.c of the Settlement Agreement, the amount of such payments was to be reduced to reflect actual expenditures for Capital Expenditure Response Costs (as defined in Settlement Agreement) for work performed between February 1, 2009 and the Effective Date (as defined in Settlement Agreement).

ASARCO submitted work plans for Black Pine and the State of Montana has approved the work, subject to receiving invoices for the costs. ASARCO submitted invoices that entitle it to a \$27,210.93 credit.

ASARCO submitted work plans for East Helena and the United States EPA has approved the work, subject to receiving invoices for the costs. To date, ASARCO has submitted invoices that entitle it to a \$2,959,475 credit. ASARCO anticipates costs of \$352,561 that have been or will be incurred with respect to the East Helena Designated Property before the Effective Date, but further anticipates that such costs will not be invoiced until after the Effective Date. Thus, the parties agree that as future Capital Expenditure Response Costs incurred to benefit East Helena are invoiced, Reorganized ASARCO shall submit such invoices to the United States EPA for approval, such approval not to be unreasonably withheld. The United States EPA shall have 90 days within which to approve or deny the submitted invoice. If the United States EPA does not approve or deny the invoice in that period, the invoice will be deemed approved. If the United States EPA does disapprove an invoice within 90 days after it is submitted, the parties agree that the Bankruptcy Court shall have exclusive jurisdiction to decide any resulting disputes. The Custodial Trustee shall promptly pay all approved invoices directly to the person or entity to whom payment is due, and the Custodial Trustee shall send Reorganized Debtor

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confirmation of payment. The total amount the Trustee shall pay on approved invoices shall not exceed the amount listed below for each category of costs.


Cleaning & Demolition Oversight:	\$183,171
RI/FS Monitoring/Well Drilling:	\$30,000
Laboratory:	\$48,697
EcoRisk Costs:	\$90,694

Therefore, the parties agree that the amount of funding to the environmental custodial trust account for East Helena will be reduced by \$2,959,475, the amount already fully approved by the United State EPA as Capital Expenditure Response Costs, and the Trustee will pay up to \$352,561 following approval of invoices. The parties agree that the funding for Black Pine shall be reduced by \$27,210.93.


Sincerely,

FOR ASARCO LLC; ASARCO CONSULTING, INC., AND AMERICAN SMELTING AND REFINING CO.

Date: _____

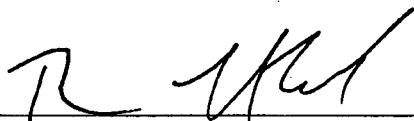

Thomas L. Aldrich
Vice President, Environmental Affairs

Date: _____



Douglas E. McAllister
Executive Vice President, General Counsel

FOR ASARCO Master, Inc.

Date: _____


Thomas L. Aldrich
Vice President

Date: _____


Douglas E. McAllister
President and Secretary

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FOR THE UNITED STATES

Date:

12/7/09

for Michael T. B. Sine
Andrew M. Gaydos
Assistant Regional Administrator
Office of Enforcement,
Compliance and Environmental Justice

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FOR THE STATE OF MONTANA

Montana Department of Environmental Quality

Date: 12/8/09



Richard H. Opper
Director
Montana Department of Environmental Quality

Date: 12-8-09



William B. Kirley
DEQ Legal Counsel
Montana Department of Environmental Quality
1100 N. Last Chance Gulch
P.O. Box 200901
Helena, Montana 59620-0901

Montana Department of Justice Natural Resource Damage Program

Date: 12/8/09



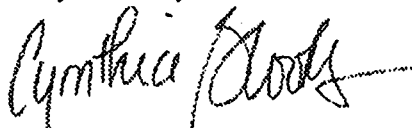
Robert G. Collins
Supervising Assistant Attorney General
Mary Capdeville
Assistant Attorney General
Montana Department of Justice
1301 Lockey Avenue
P.O. Box 201425
Helena, Montana 59620-1425

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FOR THE CUSTODIAL TRUSTEE

Montana Environmental Trust Group, LLC, a Montana limited liability company, not individually, but solely in the representative capacity as Trustee of the Custodial Trust

By: Greenfield Environmental Trust Group, Inc., not individually but solely as Member



Date: December 7, 2009

Cynthia Brooks, President and not individually

cc: Robert P. Esposito, Consultant
Alvarez & Marsal
55 West Monroe
Suite 4000
Chicago, IL 60603